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2022 JUN 08 09:25 AM
KING COUNTY
SUPERIOR COURT CLERK
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CASE #: 22-2-08640-8 KNT

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF KING

RICHARD AND PARTNERS, LLC, A
WASHINGTON LIMITED LIABILITY
COMPANY

PLAINTIFFS,

VS.

BERKSHIRE HATHAWAY GUARD
INSURANCE COMPANIES,

DEFENDANT,

NO.

COMPLAINT

(BREACH OF CONTRACT, BREACH
OF DUTY OF GOOD FAITH AND FAIR
DEALING, BAD FAITH, BREACH OF
CONSUMER PROTECTION ACT)

Comes now Plaintiffs Richard and Partners, LLC (herein “Plaintiff”), by and through its attorneys at Chae Law Firm, P.S for their causes of action against Defendant Berkshire Hathaway Guard Insurance Companies (herein “Defendants collectively”), and alleges as follows:

I. PARTIES AND JURISDICTION

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2 **1.1** At all times material hereto, Plaintiff Richard and Partners LLC was a Washington
3 company licensed to do business in the State of Washington, with its primary place of business
4 in King County, Washington.

5 **1.2** At all times material hereto, Defendant Berkshire Hathaway Guard Insurance
6 Companies was an insurance company licensed to write insurance in the state of Washington
7 and actually issued a comprehensive business owner's policy of insurance to plaintiff under
8 policy number RIBP297959 for the period of January 31, 2021 to January 31, 2022.
9

10 **1.3** This court has jurisdiction over this dispute pursuant to RCW 2.08.010 as the
11 demand of plaintiffs exceeds three hundred dollars.

12 **1.4** Venue is proper in King County pursuant to RCW 4.12.020-025

13 **1.5** Venue is proper in King County as it concerns real property located in Federal Way,
14 Washington.
15

II. FACTS

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17 **2.1** Plaintiff re-alleges each and every allegation contained in the preceding paragraphs
18 as if set forth fully herein.

19 **2.2** Plaintiff Richard and Partners LLC is the owner and operator of the Federal Way
20 Comfort Inn (the "Inn"). The Inn and the business are insured by GUARD under a
21 businessowners policy, #RIBP297959.

22 **2.3** At all times relevant hereto Richard and Partners LLC maintained the policy by
23 paying its premiums as owed to GUARD.
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1 **2.4** Richard and Partners LLC's premium is more than \$30,000.00 a year. Richard and
2 Partners has never been late on a payment.

3 **2.5** On April 6, 2021, a pipe burst at the Inn which resulted in extensive water damage
4 to the Property. On or about April 6, 2021, Plaintiff filed a claim for the burst pipe and reported
5 the water damage to the Defendant.

6 **2.6** Immediately after the April 6, 2021, Plaintiff contacted Rotor Rooter Services
7 Company to address the emergency, which included repair of the burst pipe and removing the
8 flooding from affected rooms.

9 **2.7** Defendant Insurer initially retained Marybeth Verrengio of Raphael and Associates
10 as a third party claims examiner. Upon information and belief, Marybeth Verrengio was to
11 report to Defendant Insurer and approve of repairs made by the Rotor Rooter Services Company
12

13 **2.8** Although Rotor Rooter Services Company completed its repair work in April of
14 2021, Defendant insurer did not release payment to RRSC until August 2, 2021. As a result of
15 Defendant Insurer's delay in releasing payment, RRSC threatened legal action against Plaintiff.
16

17 **2.9** Defendant Insurer did not perform sufficient investigation or assessment of damage
18 on the property despite Plaintiff's repeatedly expressed concerns regarding mold and mildew,
19 or other damages resulting from the burst pipe.

20 **2.10** From the months of April through September of 2021, Plaintiff made multiple
21 attempts to contact the Marybeth Verrangio, Defendant's representative, regarding the extent of
22 the damage.

23 **2.11** The only response received by the Plaintiff was that an agent was coming to in
24 On September 16, 2021, Plaintiff's general manager, Keith Binnie, emailed Ms. Verrangio.
25
26

1 **2.12** By September of 2021, six months after Plaintiff's claim was first made, Defendant
2 Insurer retained Patrick Booth of Engle and Martin, to represent it in inspecting damage,
3 adjusting the loss, and overseeing repairs.

4 **2.13** To date, Mr. Booth, Defendant Insurer's agent, represented that additional testing
5 of the property is required to assess damages and has consistently engaged in undue delay of
6 the investigation. Defendant Insurer has relied on this representation in order to unduly delay
7 the release of insurance payments to Plaintiff.

8 **2.14** Defendant Insurer has declined to release any amount of funds to mitigate any
9 damages, despite the Plaintiff's repeated representation that repair was necessary to prevent the
10 water damage from spreading.

11 **2.15** As a result of Defendant Insurer's undue delay, Plaintiff retained a third party
12 contractor to provide an assessment of damages and to create an estimate. Bowers, the third
13 party contractor, estimated that the cost of repair would be in excess of \$1.4 million
14

15 **2.16** Defendant Insurer delayed any amount of payment, claiming that additional
16 inspection related to asbestos testing was required. Defendant Insurer conducted the initial
17 inspection on October 11, 2021. Defendant Insurer requested additional inspection that was
18 conducted and completed two full months later, on December 15, 2021, only to conclude that
19 even more additional testing was required.
20

21 **2.17** Despite several requests from Plaintiff, Defendant Insurer indicated no interest in
22 performing an immediate inspection. It was not until March 10, 2022 that follow up inspections
23 were conducted.
24
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1 **2.17** After Plaintiff's counsel got involved in January of 2022, Defendant Insurer
2 represented that an undisputed amount had been determined and that Defendant Insurer would
3 initiate payment for the undisputed amount. Defendant Insurer had not released any funds to
4 Plaintiff at the time of inspection on March 10, 2022, despite clear evidence that further delay
5 is leading to the spread of water damage.

6 **2.18** On March 14, 2022, Defendant Insurer presented the Plaintiff with its estimate of
7 the undisputed amount, but conditioned the payment of the undisputed amount upon Plaintiff's
8 execution of a POL that contained terms that could clearly be construed as a release.

9 **2.19** On April 6, 2022, almost one full year after the date of loss, Defendant insurer
10 approved payment of **\$129,000.00**, less than 1/10 of Plaintiff's assessed losses, per the Bowers
11 estimate.
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13 **III. FIRST CAUSE OF ACTION: BREACH OF CONTRACT**

14 **3.1** Plaintiff incorporates and realleges paragraphs 1.1-2.16 above as though fully set
15 forth herein.
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17 **3.2** Plaintiff is Defendant Insurer's insured under the businessowners policy,
18 #RIBP297959.

19 **3.3** Pursuant to the terms of the policy, Plaintiff is required to pay monthly premiums
20 in exchange for Defendant Insurer's promise to timely pay Plaintiff for covered losses.

21 **3.4** Plaintiff has at all times maintained its coverage and dutifully paid its monthly
22 premiums to Defendant Insurer.

23 **3.5** Plaintiff has reported a covered loss and Defendant has failed to timely pay Plaintiff
24 as required by contract.
25
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1 **3.6** Defendant Insurer's actions (and inaction) constitute breach of contract.

2 **3.7** As a result of Defendant Insurer's breach, Plaintiff has suffered damages in an
3 amount to be proven at trial.

4 **IV. SECOND CAUSE OF ACTION: BAD FAITH CLAIMS HANDLING**

5 **4.1** Plaintiff incorporates and realleges paragraphs 1.1-3.2 above as though fully set
6 forth herein.

7 **4.2** Washington imposes a duty of good faith on insurers in interactions with
8 policyholders. A violation of that duty results in tort liability on part of the insurer, requiring
9 compensation of the loss to the insured
10

11 **4.3** Washington law prohibits insurers from engaging in unfair claims practices. RCW
12 48.30.010. The Defendant Insurer had a duty to promptly pay Plaintiff's claim. "Failing to
13 adopt and implement reasonable standards for the processing and payment of claims after the
14 obligation to pay has been established" is a specific prohibited unfair claim practice. Payment
15 within fifteen business days is the required minimum. WAC 284-34-330
16

17 **4.4** The Defendant Insurer's undisputed failure to timely pay Plaintiff's legitimate
18 claim for sixteen months, when Defendant Insurer knew that delay in repairs would cause
19 further water damage and result in unnecessary loss of business is a breach of the Defendant
20 Insurer's duty of good faith to the Plaintiff.

21 **4.5** The Defendant Insurer's attempts to continue to delay timely payment for safety
22 testing when such testing would not change the scope of what needs to be repaired further
23 demonstrates Defendant Insurer's bad faith claims handling.
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2 **VI. FOURTH CAUSE OF ACTION: VIOLATION OF THE CONSUMER**
3 **PROTECTION ACT**

4 6.1 Plaintiff incorporates and realleges paragraphs 1.1-5.5 above as though fully set
5 forth herein.

6 6.2. The consumer protection Act, RCW 19.86 et seq., requires insurers to abide by
7 Washington fair claims handling requirement.

8 6.3. Defendant Insurer's violations of Washington's claims handling regulations
9 constitute a per se violation of the Consumer Protection Act.

10 6.4. In addition to the actions of Defendant Insurer in failing to properly pay Plaintiff's
11 claim for over 10 months, despite the covered loss, is an unfair and deceptive practice that has
12 resulted in the loss of Plaintiff's business, good will, and property.

13 6.5. The actions of Defendant Insurer occurred in the business of insurance, which
14 impacts the public interest as a matter of law.

15 6.6. As a result of the Defendant Insurer's violation of the Consumer Protection Act,
16 Plaintiff has suffered damages in an amount to be proven at trial.

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18 **VII. PRAYER FOR RELIEF**

19 Wherefore, Plaintiffs prays for judgment as follows:

- 20
21 **A.** That Plaintiffs be granted judgment against Defendant in an amount to be proven at trial;
22 **B.** For judgment awarding Plaintiffs their fees and costs to the extent allowed by law or equity.
23 **C.** For judgment awarding Plaintiff treble damages under RCW 48.30.015
24 **D.** For judgment awarding Plaintiff treble damages under RCW 19.86.090
25 **E.** For pre-judgment and post-judgment interest, to the maximum extent allowed by law; and
26

1 F. That Plaintiffs be granted such other and further relief as the court shall deem just and
2 equitable.

3 DATED this 7 day of June, 2022.

4
5 Chae Law Firm, P.S.

6
7 By/s/ E.Chan Lee

8 E.Chan Lee, WSBA No. 51415
9 echan@chaelawfirmpps.com.
10 Attorney for Plaintiffs
11 Tel: (425)-373-9922
12 Fax: (425)-320-4243
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5 PLAINTIFFS,

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9 DEFENDANT,
10
11

NO.

DECLARATION OF VIJAY KUMAR
VERIFYING COMPLAINT ON
BEHALF OF RICHARD AND
PARTNERS, LLC

12 DECLARATION OF VIJAY KUMAR VERIFYING THE FOREGOING COMPLAINT

13 I, Vijay Kumar, pursuant to RCW 12.08.070 declare as follows:

14 1. I am an authorized representative of Richard and Partners, LLC, Plaintiff in the
15 above-captioned case. I am over the age of eighteen (18) and am competent to testify to the
16 following facts based on my personal knowledge, to which I could and would competently
17 testify if called as a witness in this matter.

18 2. I have personal knowledge of Richard and Partners, LLC, its activities, and its
19 intentions, including those set out in the foregoing Verified Complaint, and if called upon to
20 testify I would competently testify as to the matters stated herein

21 3. I verify under penalty of perjury under the laws of the United States of America that
22 the factual statements in this foregoing Complaint concerning Richard and Partners, LLC, its
23 activities, and its intentions are true and correct.
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1 I declare under penalty of perjury that the foregoing is true and correct.

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3 Signed this 7 day of June, 2022 at Federal way, Washington

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DocuSigned by:
Vijay Kumar
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Vijay Kumar